

Assembly Bill No. 673

CHAPTER 210

An act to amend Section 12012.85 of, and to add Section 12012.90 to, the Government Code, and to amend Sections 4369, 4369.1, 4369.2, 4369.3, and 4369.4 of, and to repeal Section 4369.5 of, the Welfare and Institutions Code, relating to gambling, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 9, 2003. Filed with
Secretary of State August 11, 2003.]

LEGISLATIVE COUNSEL'S DIGEST

AB 673, Jerome Horton. Gambling.

(1) Existing law ratifies specified tribal-state gaming compacts. Existing law also establishes in the State Treasury the Indian Gaming Special Distribution Fund for the receipt and deposit of gaming device license fee moneys received by the state from Indian tribes pursuant to the terms of the tribal-state compacts. Money in that fund is available for appropriation by the Legislature for various purposes, including grants to address gambling addiction, grants for the support of agencies impacted by tribal government gaming, and compensation for regulatory costs. Existing law also creates in the State Treasury the Indian Gaming Revenue Sharing Trust Fund for the receipt and deposit of moneys derived from gaming device license fees paid by compact tribes. Money in that fund is available to the California Gambling Control Commission, upon appropriation by the Legislature, for distribution to noncompact tribes, according to the terms of the tribal-state gaming compacts.

This bill would also specify that money in the Indian Gaming Special Distribution Fund may be used to make payment of shortfalls that may occur in the Indian Gaming Revenue Sharing Trust Fund. The bill would specify that payment for those shortfalls in the Indian Gaming Revenue Sharing Trust Fund shall be the priority use of moneys in the Indian Gaming Special Distribution Fund. The bill would also establish a mechanism by which funds may be transferred from the Indian Gaming Distribution Fund to the Indian Gaming Revenue Sharing Fund pursuant to specified provisions of the tribal-state compacts and would appropriate the sum of \$50,568,787.99 for the purpose of making payments to eligible Indian tribes for the preceding fiscal year.

(2) Existing law establishes the Office of Compulsive Gambling in the State Department of Mental Health. The office is responsible for

developing a compulsive gambling prevention program within the state that consists of designated components.

This bill instead would rename that office as the Office of Problem and Pathological Gambling and would establish the office in the Department of Alcohol and Drug Programs. The bill would revise designated components of the gambling prevention program, would require the office to develop a program to support treatment services for described gamblers, and would require that implementation of these programs be based upon allocation priorities established by the Department of Alcohol and Drug Programs and be subject to funding being appropriated for that purpose.

This bill would modify other provisions relating to the problem gambling prevention program established under these provisions, including revising the definition of various terms and revising the list of state agencies expressly required to coordinate on specified issues under these provisions. This bill would also give the problem gambling prevention program first priority for funding appropriated to the Office of Problem and Pathological Gambling.

(3) The bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 12012.85 of the Government Code is amended to read:

12012.85. There is hereby created in the State Treasury a fund called the “Indian Gaming Special Distribution Fund” for the receipt and deposit of moneys received by the state from Indian tribes pursuant to the terms of tribal-state gaming compacts. These moneys shall be available for appropriation by the Legislature for the following purposes:

(a) Grants, including any administrative costs, for programs designed to address gambling addiction.

(b) Grants, including any administrative costs, for the support of state and local government agencies impacted by tribal government gaming.

(c) Compensation for regulatory costs incurred by the State Gaming Agency and the Department of Justice in connection with the implementation and administration of tribal-state gaming compacts.

(d) Payment of shortfalls that may occur in the Indian Gaming Revenue Sharing Trust Fund. This shall be the priority use of moneys in the Indian Gaming Special Distribution Fund.



(e) Disbursements for the purpose of implementing the terms of tribal labor relations ordinances promulgated in accordance with the terms of tribal-state gaming compacts ratified pursuant to Chapter 874 of the Statutes of 1999. No more than 10 percent of the funds appropriated in the Budget Act of 2000 for implementation of tribal labor relations ordinances promulgated in accordance with those compacts shall be expended in the selection of the Tribal Labor Panel. The Department of Personnel Administration shall consult with and seek input from the parties prior to any expenditure for purposes of selecting the Tribal Labor Panel. Other than the cost of selecting the Tribal Labor Panel, there shall be no further disbursements until the Tribal Labor Panel, which is selected by mutual agreement of the parties, is in place.

(f) Any other purpose specified by law.

SEC. 2. Section 12012.90 is added to the Government Code, to read:

12012.90. (a) (1) For each fiscal year commencing with the 2002–03 fiscal year, the California Gambling Control Commission shall determine the aggregate amount of shortfalls in payments that occurred in the Indian Gaming Revenue Sharing Trust Fund pursuant to Section 4.3.2.1 of the tribal-state gaming compacts ratified and in effect as provided in subdivision (f) of Section 19 of Article IV of the California Constitution as determined below:

(A) For each eligible recipient Indian tribe that received money for all four quarters of the fiscal year, the difference between one million one hundred thousand dollars (\$1,100,000) and the actual amount paid to each eligible recipient Indian tribe during the fiscal year from the Indian Gaming Revenue Sharing Trust Fund.

(B) For each eligible recipient Indian tribe that received moneys for less than four quarters of the fiscal year, the difference between two hundred seventy-five thousand dollars (\$275,000) for each quarter in the fiscal year that a recipient Indian tribe was eligible to receive moneys and the actual amount paid to each eligible recipient Indian tribe during the fiscal year from the Indian Gaming Revenue Sharing Trust Fund.

(2) For purposes of this section, “eligible recipient Indian tribe” means a noncompact tribe, as defined in Section 4.3.2(a)(i) of the tribal-state gaming compacts ratified and in effect as provided in subdivision (f) of Section 19 of Article IV of the California Constitution.

(b) Upon authorizing the final payment for each fiscal year from the Indian Gaming Revenue Sharing Trust Fund, the California Gambling Control Commission shall report the amount of the deficiency determined pursuant to subdivision (a) to the committee in the Senate and Assembly that considers the State Budget.

(c) Upon a transfer of moneys from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund



and appropriation from the trust fund, the California Gambling Control Commission shall distribute the moneys without delay to eligible recipient Indian tribes for each quarter that a tribe was eligible to receive a distribution during the fiscal year immediately preceding.

SEC. 3. Section 4369 of the Welfare and Institutions Code is amended to read:

4369. There is within the State Department of Alcohol and Drug Programs, the Office of Problem and Pathological Gambling.

SEC. 4. Section 4369.1 of the Welfare and Institutions Code is amended to read:

4369.1. As used in this chapter, the following definitions shall apply:

(a) “Department” means the State Department of Alcohol and Drug Programs.

(b) “Office” means the Office of Problem and Pathological Gambling.

(c) “Pathological gambling disorder” means a progressive mental disorder meeting the diagnostic criteria set forth by the American Psychiatric Association’s Diagnostic and Statistical Manual, Fourth Edition.

(d) “Problem gambling” means participation in any form of gambling to the extent that it creates a negative consequence to the gambler, the gambler’s family, place of employment, or community. This includes patterns of gambling and subsequent related behaviors that compromise, disrupt, or damage personal, family, educational, financial, or vocational interests. The problem gambler does not meet the diagnostic criteria for pathological gambling disorder.

(e) “Problem gambling prevention programs” means programs designed to reduce the prevalence of problem and pathological gambling among California residents. These programs shall include, but are not limited to, public education and awareness, outreach to high-risk populations, early identification and responsible gambling programs.

SEC. 5. Section 4369.2 of the Welfare and Institutions Code is amended to read:

4369.2. (a) The office shall develop a problem gambling prevention program, which shall be the first priority for funding appropriated to this office. The prevention program shall be based upon the allocation priorities established by the department and subject to funding being appropriated for the purpose of this subdivision, and shall consist of all of the following:

(1) A toll-free telephone service for immediate crisis management and containment with subsequent referral of problem and pathological



gamblers to health providers who can provide treatment for gambling related problems and to self-help groups.

(2) Public awareness campaigns that focus on prevention and education among the general public including, for example, dissemination of youth oriented preventive literature, educational experiences, and public service announcements in the media.

(3) Empirically driven research programs focusing on epidemiology/prevalence, etiology/causation, and best practices in prevention and treatment.

(4) Training of health care professionals and educators, and training for law enforcement agencies and nonprofit organizations in the identification of problem gambling behavior and knowledge of referral services and treatment programs.

(5) Training of gambling industry personnel in identifying customers at risk for problem and pathological gambling and knowledge of referral and treatment services.

(b) The office shall develop a program to support treatment services for California residents with problem and pathological gambling issues. The program shall be based upon the allocation priorities established by the department and subject to funding being appropriated for the purposes of this subdivision. These priorities shall also be based on the best available existing state programs as well as on continuing research into best practices and on the needs of California. The treatment program shall consist of all of the following components:

(1) Treatment services for problem and pathological gamblers and directly involved family members. These treatment services will be created through partnerships with established health facilities that can provide treatment for gambling related problems, substance abuse facilities, and providers. State funded treatment may include, but is not limited to, the following: self-administered, home-based educational programs; outpatient treatment; residential treatment; and inpatient treatment when medically necessary.

(2) A funding allocation methodology that ensures treatment services are delivered efficiently and effectively to areas of the state most in need.

(3) Appropriate review and monitoring of treatment programs by the director of the office or a designated institution, including grant oversight and monitoring, standards for treatment, and outcome monitoring.

(4) Treatment efforts shall provide services that are relevant to the needs of a diverse multicultural population with attention to groups with unique needs, including female gamblers, underserved ethnic groups, the elderly, and the physically challenged.



(c) The office shall make information available as requested by the Governor and the Legislature with respect to the comprehensive program.

SEC. 6. Section 4369.3 of the Welfare and Institutions Code is amended to read:

4369.3. In designing and developing the overall program, the office shall do all of the following:

(a) Develop a statewide plan to address problem and pathological gambling.

(b) Adopt any regulations necessary to administer the program.

(c) Develop priorities for funding services and criteria for distributing program funds.

(d) Monitor the expenditures of state funds by agencies and organizations receiving program funding.

(e) Evaluate the effectiveness of services provided through the program.

(f) Notwithstanding any other provision of law, any contracts required to meet the requirements of this chapter are exempt from the requirements contained in the Public Contract Code and the State Administrative Manual, and are exempt from the approval of the Department of General Services.

(g) The first and highest priority of the office with respect to the use of any funds appropriated for the purposes of this chapter shall be to carry out subdivision (a).

(h) Administrative costs for the program may not exceed 10 percent of the total funding budgeted for the program.

SEC. 7. Section 4369.4 of the Welfare and Institutions Code is amended to read:

4369.4. All state agencies, including, but not limited to, the California Horse Racing Board, the California Gambling Control Commission, the Department of Justice, and any other agency that regulates casino gambling or cardrooms within the state, and the Department of Corrections, the California Youth Authority, the State Departments of Health Services, Alcohol and Drug Programs, and Mental Health, and the California State Lottery, shall coordinate with the office to ensure that state programs take into account, as much as practicable, problem and pathological gamblers. The office shall also coordinate and work with other entities involved in gambling and the treatment of problem and pathological gamblers.

SEC. 8. Section 4369.5 of the Welfare and Institutions Code is repealed.

SEC. 9. The sum of fifty million five hundred sixty-eight thousand seven hundred eighty-seven dollars and ninety-nine cents



(\$50,568,787.99) is hereby transferred from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund and is hereby appropriated from that fund to the California Gambling Control Commission for distribution to each eligible recipient Indian Tribe pursuant to subdivision (c) of Section 12012.90 of the Government Code.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that provisions designed to prevent problem and pathological gambling are enacted as soon as possible, it is necessary that this act take effect immediately.

